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News Summary

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Two researchers whose study of scientific fraud has been kept from publication by fears of lawsuits say an assessment of such misconduct may be impossible. Story on Page 7.

University librarians are concerned about budget cuts at the Library of Congress. Story on Page 6.

The number of states requiring licensed professionals to attend continuing-education programs has increased. Story on Page 13.

A Senate committee will try to force the Defense Department to award grants to nine universities that did not go through the competitive process. Story on Page 13.

Participants in the pension program run by T.I.A.A.-C.R.E.F. have a right to transfer their money to other plans, a commission has concluded. Story on Page 23.

Professors think faculty involvement is critical to academic governance but often refuse to participate themselves, a new study has found. Story on Page 23.

Sixteen universities have received $1.4-million from the government to establish a regional computer network. Story on Page 28.

Colleges must counteract misinformation about AIDS, says a new report. Story on Page 29.

Northwestern University has an unusual scholarship program for wrestlers. Story on Page 33.

Faculty members at the American University of Beirut stopped teaching classes to protest the continuing violence against professors and students there. Story on Page 37.

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Indirect-Cost Cap Vexes Universities and Researchers

By COLLEEN CORDES

It's easy for David Welch and his fellow joggers at the Georgia Institute of Technology to pump up their pulse rates.

They just debate the latest federal move to reduce payments for the indirect costs of research.

"We run daily and we talk about it daily," says Mr. Welch, Georgia Tech's director of grants and contracts accounting.

As an administrator, Mr. Welch is staunchly opposed to proposals by the federal Office of Management and Budget to limit the payments. Some of his jogging colleagues are researchers who are not so sure it is a bad idea. But they and other administrators and researchers across the country agree on one thing: The issue of indirect costs is one of the most complex, divisive, and intractable dilemmas confronting academe today.

The labyrinth of indirect costs is one that few in government or universities dare to enter. Exactly why the costs now swallow nearly a third of every federal research dollar remains a mystery that many of the country's best scientific minds cannot penetrate.

Some Support OMB

Some frustrated scientists, hoping that scarce dollars will be freed for more and bigger grants, have cheered the O.M.B.'s effort to cap the administrative portion of the expenses.

Administrators, meanwhile, contend that the proposal would force universities to subsidize hundreds of millions of dollars of expenses that government auditors have agreed they incur in carrying out federal grants and contracts.

Some researchers who have studied the issue closely acknowledge that it cannot be solved simply. "It's easy to have strong views when you're ignorant," says Harlyn

Continued on Page 14, Column 1

Carnegie Panel Asserts Rebuilding of Education System Is Needed to Preserve U.S. Living Standard

It calls for sweeping improvement in schools and teacher training

By ROBERT L. JACOBSON

SAN DIEGO

A blue-ribbon panel of educators, business representatives, and past and present government officials, citing the demands of a changing world economy, called last week for a major upgrading of the nation's public-school system and of teacher-preparation programs in colleges and universities.

The alternative, it warned, would be "a steady erosion in the American standard of living."

The year-old panel, sponsored by the Carnegie Corporation of New York, made several sweeping and potentially controversial recommendations, including the following:

► Elimination of undergraduate programs of teacher education and adoption of a bachelor's degree in the arts and sciences as a prerequisite for professional preparation in teaching.

► A restructuring of teaching to encompass a highly trained cadre of "lead teachers" and the development of new graduate-school programs leading to master's degrees in teaching.

► Creation of a National Board for Professional Teaching Standards to establish tougher certification requirements across the country within the next few years.

► Substantial increases in schoolteachers' salaries and career opportunities to make teaching more competitive with other fields.

► Much greater efforts nationwide to prepare members of minority groups for teaching careers.

► A restructuring of schools to increase teachers' discretion in meeting state and local education goals, while holding them accountable for their students' progress.

The panel, called the Task Force on Teaching as a Profession, made its proposals in a report to be released here at the start of a three-day invitational conference

Continued on Page 42, Column 1

Excerpts from the report of the Carnegie task force are printed in a 12-page pullout section that begins on Page 43.

6,500 Scientists Vow to Boycott Studies Aided by 'Star Wars'

More than 6,500 scientists, engineers, and graduate students have promised not to participate in research supported by President Reagan's space-based missile defense program, the Strategic Defense Initiative, which they called "ill-conceived and dangerous."

Supporters of the campaign to boycott S.D.I. presented the pledges last week to Rep. George E. Brown, Jr., Democrat of California, at a press conference on Capitol Hill. Mr. Brown plans to deliver them to the White House.

Fifteen Nobel laureates in physics and chemistry were among those who signed pledges to boycott the initiative, which is popularly known as "Star Wars." The signers included 57 per cent of the faculty members in the top 20 physics departments, as ranked by the boycott organizers according to data from the Conference Board of Associated Research Councils.

They also included a majority of the fac-

Continued on Page 10, Column 1

Exam-Grading Time Gives Professors Their Annual Case of the 'Blues'

By SCOTT HELLER

Leah Wortham has the bluebook blues.

You would, too, if you had to grade 58 law-school exams of three to five bluebooks each and you had just given birth to twins.

Even without the twins, you probably have the blues. Professors do, this time of year. And if they don't, it's because they're too busy to realize they should.

Ms. Wortham tried once to take the exams to the Caribbean. "It made me resent them all the more," she says.

This year she's home with Ann and Elizabeth and three-year-old Alexander, who was born during finals in 1983. The bluebooks sit, beckoning, in her study.

"No one has a cleaner house than the person who has to grade papers," says Ms. Wortham, assistant professor of law at Catholic University. "You hate grading so much that it makes everything else seem better."

The discomfort alone makes it miserable. "You sit in one position for so long—I've gotten my neck in such bad shape I've had to see a massage therapist," she says.

•

The bluebook blues are unyielding. Yet everyone, it seems, has a strategy to ease the pain.

Robert Prentice is a marathon man. An associate professor of business law at the University of Texas at Austin, he began grading last week an hour after his noontime exam was done. Typically, he goes six hours non-stop. Then he starts again until he's through.

"You have to have the refrigerator stocked with Diet Coke and lots of Chee-Tos and maybe some Cracker Jack," he says.

"It's really embarrassing to hand back papers with chocolate on them," he adds, "but sometimes it's unavoidable."

•

Jane Gentry Vance wakes up in the middle of the night. Not because of the tests, exactly, but the extra time helps. She'll hear a noise, wake up, and grab one or two of the papers beside her bed.

"I'm sort of in a trance," she says, "and it works out to be quite painless." She doublechecks the exams in the morning.

Ms. Vance, an associate professor in the University of Kentucky's honors program, divides the number of exams by the num-

Continued on Page 26, Column 1

FACT-FILE

1984-85 Holdings of Research Libraries in U.S., Canada

University Libraries

	Volumes in library	Volumes added	Current serials	Professional staff	Spending for materials[1]	Spending for salaries[1]
Harvard U.	10,929,899	131,470	103,000	310	$6,871,754	$16,109,429
Yale U.	8,192,144	147,379	55,801	176	4,916,200	9,760,550
U. of Illinois	6,808,048	192,498	93,913	122	4,724,114	7,845,131
U. of California at Berkeley	6,610,872	106,642	94,108	170	5,115,266	14,751,484
U. of Michigan	5,805,748	123,079	63,947	142	4,734,897	8,266,986
Columbia U.	5,459,972	82,966	61,958	133	4,260,392	9,195,626
U. of Texas	5,402,357	173,061	77,478	146	6,539,296	9,161,771
U. of California at Los Angeles	5,365,264	192,657	83,804	190	5,849,917	13,129,007
Stanford U.[3]	5,318,153	141,065	48,573	155	5,754,736	13,196,374
U. of Toronto	5,178,677	173,836	39,981	153	4,292,215	11,977,770
Cornell U.	4,874,447	105,320	55,365	157	4,331,291	7,859,142
U. of Chicago	4,660,683	(133,421)[2]	47,796	77	2,979,870	5,947,326
U. of Wisconsin	4,494,680	104,243	48,666	132	4,014,395	8,163,935
U. of Washington	4,416,024	118,864	39,868	124	4,311,786	7,682,662
Indiana U.	4,365,624	122,388	30,996	109	3,515,523	6,140,882
U. of Minnesota	4,229,107	94,876	44,714	109	3,570,053	7,947,433
Ohio State U.	3,983,395	91,146	30,909	109	4,386,886	6,964,343
Princeton U.	3,751,967	115,633	38,0	95	3,557,309	7,724,797
Duke U.	3,458,720	77,017	29,56	97	3,102,947	4,945,550
U. of Pennsylvania	3,282,105	89,090	29,825	101	2,510,010	5,767,447
U. of North Carolina[3]	3,184,517	121,780	40,225	114	4,222,600	5,961,916
Northwestern U.	3,124,611	79,886	25,474	104	2,946,886	5,511,422
Michigan State U.	3,062,867	69,963	22,808	74	2,681,414	4,782,299
U. of Arizona	3,049,172	111,989	33,616	91	4,256,069	5,131,403
New York U.	2,879,338	63,981	31,009	108	3,413,364	6,490,290
U. of Virginia	2,713,404	90,435	22,227	89	4,345,772	5,317,721
U. of Iowa	2,661,726	83,669	32,815	79	3,406,656	3,838,812
U. of Pittsburgh	2,583,597	75,219	22,145	86	2,409,894	4,731,569
Pennsylvania St. U.[3]	2,556,027	83,062	26,820	103	3,475,783	6,667,337
Johns Hopkins U.	2,506,132	55,259	19,524	82	2,553,488	4,369,024
U. of Kansas	2,485,748	87,046	29,353	81	3,132,388	4,155,983
U. of Alberta	2,476,532	77,823	21,234	83	2,686,758	5,963,390
U. of Florida	2,474,542	58,022	29,079	98	2,930,847	4,633,069
U. of Rochester	2,473,305	41,917	12,562	57	2,126,472	3,282,857
U. of British Columbia	2,465,584	115,483	35,299	104	2,815,287	7,459,179
U. of Southern Cal.	2,441,102	80,388	37,926	98	2,993,179	4,809,760
U. of Georgia	2,415,673	99,174	51,925	76	3,473,006	3,905,394
State U. of New York at Buffalo	2,310,828	60,602	23,302	90	2,588,461	4,461,923
McGill U.	2,292,456	55,248	14,660	73	2,449,701	5,722,221
U. of Missouri	2,254,750	48,646	20,445	50	2,146,421	3,004,588
Rutgers U.[3]	2,218,913	73,776	22,693	96	3,356,846	7,709,873
Syracuse U.	2,186,470	64,017	22,469	65	2,446,463	3,421,719
U. of Utah	2,157,104	80,738	14,348	48	1,767,976	2,814,118
Louisiana State U.	2,147,840	63,391	23,840	66	3,126,755	3,540,851
U. of South Carolina	2,117,042	57,333	17,434	60	2,052,027	2,870,037
U. of Oklahoma	2,106,359	46,669	14,526	45	1,894,874	2,470,631
Wayne State U.	2,084,110	51,692	20,995	68	2,445,405	3,952,217
U. of Massachusetts	2,068,005	65,545	13,555	55	1,810,616	3,730,377
U. of Colorado	2,051,953	42,257	22,486	45	2,127,094	3,397,997
Washington U. (Mo.)	2,029,838	40,022	16,152	67	2,225,199	3,087,241
U. of Hawaii	2,013,146	62,351	33,889	62	2,045,989	3,889,143
Arizona State U.	2,000,762	88,621	27,803	66	3,401,502	3,866,930
U. of California at Davis	1,995,437	85,063	47,874	87	3,703,014	5,848,301
Massachusetts Inst. of Technology	1,993,922	46,850	20,637	86	1,810,512	4,717,818
Brown U.	1,966,160	46,745	15,195	68	2,146,428	3,146,380
U. of Kentucky	1,962,733	34,875	22,242	64	2,436,446	3,303,522
U. of Connecticut	1,960,607	95,471	18,634	61	2,398,835	3,904,812
Emory U.	1,888,061	54,142	17,549	56	2,625,957	3,223,140
Georgia Inst. of Tech.	1,852,788	72,760	28,380	49	1,309,460	1,648,643
Southern Illinois U.	1,844,548	44,472	21,000	57	2,015,648	3,502,039
Temple U.	1,839,707	52,577	15,027	69	1,797,813	3,501,878
U. of Nebraska	1,773,097	59,490	23,485	54	2,579,096	2,765,573
Brigham Young U.	1,744,081	63,813	16,722	75	2,349,046	3,721,083
U. of California at Santa Barbara	1,696,590	56,303	20,237	56	$2,672,877	$4,799,375
U. of California at San Diego	1,696,201	65,729	30,927	61	3,093,398	4,909,975
U. of Maryland	1,697,490	74,864	19,829	82	2,944,272	4,480,279
U. of Oregon	1,675,727	35,982	17,561	51	2,312,004	2,713,883
U. of Delaware	1,668,896	53,849	19,576	43	2,756,606	2,308,804
Purdue U.	1,655,449	61,781	17,451	43	2,108,762	3,328,945
U. of Western Ontario	1,651,771	67,221	18,949	56	2,953,172	4,292,219
Florida State U.[3]	1,626,574	47,763	22,136	56	2,145,212	2,712,490
U. of Notre Dame	1,616,220	39,614	15,711	40	1,940,222	2,250,814
U. of Alabama	1,612,375	53,234	15,644	52	1,974,188	2,374,957
Iowa State U.	1,609,802	55,972	20,652	48	2,603,083	3,069,867
Vanderbilt U.	1,608,105	40,888	16,672	65	2,184,547	3,150,862
Dartmouth C.	1,605,240	46,860	19,534	41	1,910,428	2,385,011
Texas A&M U.	1,600,043	59,133	18,053	67	3,046,940	3,742,768
Queen's U.	1,597,351	53,708	15,229	39	1,949,775	3,070,704
Tulane U.	1,576,287	47,412	14,652	49	2,315,684	2,653,864
Kent State U.	1,570,832	47,058	9,465	39	1,183,869	2,792,052
U. of Guelph	1,564,686	78,128	9,816	34	1,353,278	2,563,045
Boston U.	1,546,525	50,761	27,074	64	2,500,588	3,483,003
York U.[3]	1,534,400	43,664	19,713	46	1,953,204	3,543,991
Georgetown U.	1,533,577	68,133	20,042	68	2,556,310	4,070,257
U. of Tennessee	1,524,127	40,809	17,983	54	1,947,757	2,980,753
U. of New Mexico	1,514,077	48,072	17,671	70	2,208,927	4,053,926
U. of Miami	1,508,447	33,685	20,477	60	2,155,494	3,219,713
Virginia Polytechnic Institute and St. U.	1,493,361	50,698	19,000	55	2,504,900	2,654,800
Laval U.	1,490,743	55,703	13,764	75	1,723,580	5,148,173
Howard U.	1,474,318	90,160	24,147	105	2,809,576	4,436,337
State U. of New York at Stony Brook	1,473,744	48,821	17,170	49	2,142,329	3,560,520
U. of Cincinnati	1,469,931	40,751	18,794	68	2,448,460	4,264,431
Case Western Reserve U.	1,469,190	22,590	11,974	72	1,553,096	2,775,158
Colorado State U.	1,446,036	44,192	17,390	43	1,416,294	2,732,314
U. of Houston	1,434,745	26,005	27,002	57	2,512,676	3,459,541
Washington St. U.	1,418,725	34,652	33,947	40	1,994,194	3,085,455
U. of Waterloo	1,400,404	68,653	16,346	43	2,114,595	3,222,345
Oklahoma State U.	1,398,221	28,057	14,617	41	1,652,902	1,676,271
McMaster U.	1,394,824	42,492	14,450	39	2,556,493	2,928,999
U. of Manitoba	1,367,086	42,958	11,826	61	1,758,701	3,942,941
Rice U.	1,234,034	45,019	10,723	38	1,647,554	1,909,933
U. of Saskatchewan	1,207,163	39,127	9,702	36	1,715,476	2,960,196
U. of California at Riverside	1,204,419	42,988	13,349	34	2,044,019	2,996,239
North Carolina St U.	1,182,891	44,771	18,535	44	2,418,359	2,968,139
U. of California at Irvine	1,178,819	57,909	16,918	46	2,779,486	3,795,603
State U. of New York at Albany	1,130,619	36,614	16,243	48	1,876,474	2,555,819

Note: The libraries are listed according to number of volumes. Beginning this year, the Association of Research Libraries is no longer publishing its ranking of libraries based on an index that takes into account volumes held, expenditures, and other quantitative measures. Institutions were asked to report figures for their main campus only, unless a branch campus is indicated.

1 Figures for Canadian libraries are expressed in U.S. dollars.

2 Loss is due to the subtraction of microforms no longer counted as volumes.

3 Includes branch campuses as well as the main campus.

n/a Data not available.

Non-University Libraries

	Volumes in library	Volumes added	Current serials	Professional staff	Spending for materials[1]	Spending for salaries[1]
Library of Congress	20,389,914	282,848	150,000	2,699	$6,753,617	$141,850,000
New York Public Library	6,203,241	440,329	31,765	190	4,740,417	10,202,445
Boston Public Library	5,380,464	191,875	15,040	199	4,256,161	8,537,846
Center for Research Libraries	3,494,958	30,336	31,095	22	852,184	1,053,299
New York State Library	1,943,297	32,787	20,003	77	1,720,419	3,541,949
Canada Institute for Scientific and Technical Information	1,910,741	61,541	29,000	83	5,626,680	4,836,420
National Agricultural Library	1,849,065	20,450	26,500	85	1,500,000	4,670,431
National Library of Medicine	1,745,215	38,662	23,087	212	2,096,540	10,636,034
Newberry Library	1,391,694	11,108	6,200	54	292,786	1,927,815
National Library of Canada	1,031,028	53,350	20,745	219	2,095,058	11,732,138
Smithsonian Institution	980,000	n/a	21,176	46	485,000	2,509,758
Linda Hall Library	567,950	16,856	16,882	23	1,029,372	977,165

SOURCE: ASSOCIATION OF RESEARCH LIBRARIES

University Librarians Fear Impact of Cuts at Library of Congress

Continued from Page 6

it costs her library from $5 to $7 to catalog a book using Library of Congress information. Without that information, she said, the process could cost as much as $20 or $30 a book.

Librarians agree that except in rare circumstances—when, say, a librarian happens to remember that a certain newly purchased volume is on a holding shelf somewhere—a book that is not cataloged is inaccessible to users. As far as researchers are concerned, it might as well not exist.

In some fields, said Jaia Barrett, program officer at the Association of Research Libraries, a lack of awareness that a certain title exists could seriously hinder scholars.

In the sciences, for example, library users typically request the most recent two years' worth of literature on a given topic, said Ms. Barrett, who is a former government-documents librarian at Duke University. If a library were significantly behind in its cataloging, she said, that kind of up-to-the-minute search would inevitably be hampered.

"If I were optimistic that in October the cuts [at the Library of Congress] would be restored, or at least not made any deeper, we might dig out," Ms. Barrett said. "But if they continue, I think we've got some really serious backlogs that it may take a very long time to clear."

University librarians are also worried that reductions in the number of new books acquired by the Library of Congress, particularly foreign-language volumes, will cause gaps in the scholarly literature in years to come.

Because the Library of Congress purchases books and monographs worldwide, said Robert C. Sullivan, director for acquisitions and overseas operations, most of its acquisitions are foreign materials. Moreover, the library acquires foreign-language books that no other research library in the country holds.

"We're regarded in most circles as the library of last resort," said Mr. Sullivan. "We collect more comprehensively than most research libraries."

The impact of the recent budget cuts on the library's acquisition of foreign books has been compounded, Mr. Sullivan said, by the decline in the value of the dollar. He estimated that the library would purchase about 40,000 fewer titles in fiscal 1987, most of them foreign-language materials.

What makes that situation even worse, said Ms. Barrett, is that, typically, foreign publishers print fewer copies of their books than do U.S. publishers, and the books therefore go out of print more quickly.

"If you don't get it right then when it comes out," she said, "it may not be there for the getting. We may be missing foreign material down the line."

Budget Office's Plan Would Limit Indirect Costs

Continued from Page 1

O. Halvorson, a professor of biology who also directs a medical-research center at Brandeis University.

The object of the debate is a plan that hasn't been adopted yet, and probably won't take effect for most federal agencies until fiscal 1987.

In February, the Office of Management and Budget proposed to limit the amount that agencies pay universities for the administrative portion of the indirect, or overhead, costs they incur when they conduct federally financed research. The new limits were to have been phased in, beginning in April.

The budget office estimated that its proposal would cut reimbursements for indirect costs by $100-million in fiscal 1987 and more than $200-million in fiscal 1988.

After an outcry from universities, the agency said it would reconsider and decide whether to come up with a new plan. The O.M.B. expects to make a final decision this month on what steps it will take to reach its goal of slicing about $200-million a year from the $1-billion the government pays universities for administrative costs.

O.M.B. officials have met with a small group of university administrators and scientists several times to discuss possible alternatives. The O.M.B. officials have not indicated whether they are leaning toward any of the options discussed.

Any changes most likely will be phased in, beginning in July, on new grants and contracts administered by the Department of Health and Human Services, which includes the National Institutes of Health, the agency that provides the largest share of federal support for campus research. The O.M.B. may allow other agencies to take another year to begin phasing in the changes.

Congress may delay all action until 1987.

The House of Representatives has passed an amendment by Rep. Sidney R. Yates, Democrat of Illinois, that would bar the budget office from using any of its fiscal 1986 money to change its policies on indirect costs.

The Senate Appropriations Committee also has included that provision in its version of the bill, which provides supplemental appropriations for the current fiscal year.

26-Pct. Limit

If the O.M.B. doesn't revise its plan and Congress doesn't order a delay, the Department of Health and Human Services will limit its payments for administrative overhead to 26 per cent of the direct costs of research, beginning July 1. In July, 1987, that cap will fall to 20 per cent.

Twenty-six per cent was the average rate that the government paid universities during the last five years. Many institutions, however, had much higher rates for administrative costs; at least one had a rate of 65 per cent.

Universities periodically negotiate their indirect-cost rates with one federal agency. That rate is then applied to all their federal research grants. Most universities negotiate with the Department of Health and Human Services because that is the agency from which they receive the bulk of their research money.

Regardless of how they proceed, O.M.B. officials are firm in their resolve to reduce indirect costs. One notes that the National Institutes of Health spend as much on university overhead as on cancer research. Officials also cite the thousands of high-quality research proposals every year, approved by peer reviewers, that cannot be financed.

Many lobbyists for universities and scientific organizations respond that money saved from indirect costs will be applied to reduce the federal deficit, not to support more research.

Through the years, a near-avalanche of reports have prescribed solutions for reducing indirect costs.

Indirect costs are calculated for seven different "cost pools," which include such items as use of facilities and libraries. Four of those pools—student administration and services, general administration, sponsored projects administration, and departmental administration—are called "administrative costs."

It is only the administrative costs that the O.M.B. is trying to limit. In doing so, the O.M.B. plan would strike at the most contentious portion of overhead, since administrative costs are particularly difficult to measure and to document.

Within that category, departmental administration is a focal point of controversy. In fiscal 1984, it represented more than half of the average administrative-cost rate of 26 per cent. To calculate one part of departmental costs, known as "faculty effort," researchers must estimate the proportion of time they spend in teaching, conducting research, and administering their research projects.

That, say many faculty members, amounts to plucking numbers from the air. They are philosophically opposed, they say, to the idea of trying to separate research time from teaching time.

Joel R. Primack, a professor of physics at the University of California at Santa Cruz, adds that many researchers believe universities have too many administrators, and they doubt that they receive all the services for which their institutions charge the federal government. On the other hand, he says, many researchers believe the government should subsidize universities, and the payments for indirect costs represent such a subsidy.

Not Subsidies, Officials Say

University officials, for their part, say the payments are not subsidies. Their institutions are actually underpaid by the government, they maintain, because they never claim all of the indirect costs they incur.

"If O.M.B. insists on saving money," says Donald Kennedy, president of Stanford University, "it should find a way to save money that affects the research enterprise symmetrically and not try to pretend that indirect costs are somehow less important to the research venture in this country than are direct costs."

University leaders note that all federal agencies except the Department of Health and Human Services require universities to bear some of the costs of conducting federal research. H.H.S. recently dropped that requirement.

All agencies—again, except Health and Human Services—include the estimated indirect costs of a research proposal in the written grant or contract application that peer reviewers consider. The reviewers are not asked to consider the indirect costs when they evaluate the proposals, but some researchers pressure administrators to report lower costs because they're afraid high overhead rates may make their proposals less competitive.

O.M.B. officials describe the process of negotiating the rates paid for indirect costs as an art, not a science. They suggest that some universities have higher rates because they have been "more creative" than others in deciding what to include in overhead charges.

J. Wayne Berry, an N.I.H. accountant who works on indirect costs, says private universities traditionally have had more incentive to be vigilant about recouping indirect costs than have public institutions, which have state money to fall back on.

But Mr. Berry and other experts warn against trying to compare indirect-cost rates among institutions. What one institution designates as an indirect cost, they say, may be charged as a direct cost by another because of differences in accounting procedures that the O.M.B. has always allowed.

"There's no way to truly compare," Mr. Berry says.

At Georgia Tech, Mr. Welch figures that most of the gap between the 49.6 per cent his institution charges for administrative costs and the 21.73 per cent rate charged by the Massachusetts Institute of Technology is illusory. M.I.T.'s rate is lower primarily because it counts salaries and related expenses for technicians, secretaries, and other staff as direct costs, while Georgia Tech charges them as indirect costs, he says.

The O.M.B.'s proposed policy states that a university "shall not change its accounting practices to reclassify administrative costs from indirect costs to direct costs." But Mr. Welch says one national accounting firm is recommending that institutions like his try to win an exemption to do just that. Otherwise, the federal government would be paying some universities for costs for which it refused to reimburse others.

What seems to irritate administrators most in the debate over indirect costs is what they perceive as the implication that universities may be conning taxpayers. Government negotiators have approved the expenses that each institution claims, notes Milton Goldberg, executive director of the Council on Governmental Relations, an organization of 123 research universities.

But counters one O.M.B. official, "The ability to obfuscate is great. How is some poor slob from the federal government going to unravel M.I.T.'s cost-accounting system?"

20 Universities that Would Lose the Most Under Proposed Administrative-Cost Cap

	Current administrative cost rate	Loss if rate is 26 Pct.	Loss if rate is 20 Pct.
Georgia Inst. of Technology	49.60%	$11,930,036	$16,160,144
Columbia U.	36.80%	7,236,000	13,128,998
U. of Pennsylvania	38.10%	7,865,000	12,706,200
Carnegie Mellon U.	44.88%	8,496,000	12,091,680
Stanford U.	29.00%	2,941,050	9,529,002
U. of Michigan	30.80%	3,744,000	9,097,920
Yeshiva U.	42.00%	4,976,000	7,389,360
U. of California at Los Angeles	28.30%	1,846,900	7,198,092
U. of California at Berkeley	30.40%	2,578,400	6,581,952
Vanderbilt U.	38.00%	3,840,000	6,220,800
Boston U.	43.30%	4,131,603	6,009,692
U. of Illinois at Urbana-Champaign	30.05%	1,906,133	5,108,435
U. of Miami	35.08%	2,814,800	5,048,784
U. of Wisconsin	26.08%	58,240	4,780,339
Ohio State U.	32.83%	2,335,764	4,738,694
Johns Hopkins U.	26.20%	140,000	4,687,200
Duke U.	30.83%	1,888,530	4,573,292
U. of Washington	24.23%	0	4,262,317
U. of Southern California	26.92%	510,664	4,148,371
Harvard U. (Medical Area)	45.60%	2,729,104	3,849,708

SOURCE: COUNCIL ON GOVERNMENTAL RELATIONS

House Approves $33.7-Billion Education-Spending Plan

Continued from Preceding Page

tion law. The House measure would allow additional increases for some "high priority" programs, such as those aiding historically black colleges and disadvantaged high-school students who want to attend college.

Both the House and Senate budget plans would increase money for all student-aid programs except Guaranteed Student Loans. The House resolution calls for reducing spending on guaranteed loans by $425-million over three years, while the Senate plan calls for a $695-million reduction. The cuts would be on top of $735-million in reductions under another budget-cutting measure, HR 3128, signed by President Reagan last month.

The House budget would save an estimated $100-million over three years by selling to the private sector most of the loans the Education Department has made for construction and maintenance of college dormitories and academic facilities. The Senate plan has no such provision.

The $1.68-billion supplemental-appropriations measure approved by the House would:

► Earmark $13.5-million for a defense research facility at Northeastern University and $11.1-million for construction of a microelectronics building at the Rochester Institute of Technology. The Senate version of the bill would provide money for those two projects, as well as for seven more.

► Provide $6-million for the National Cancer Institute to continue operation of clinical centers for cancer treatment.

► Allot $91-million for GI Bill education benefits and $35-million for vocational training for military veterans.

► Transfer $62-million already appropriated for the Defense Department to the Energy Department to speed up research projects related to the Administraton's Strategic Defense Initiative.

► Require $9.35-million already appropriated to be spent on a training ship for the State University of New York's Maritime College. President Reagan had recommended that the money not be spent now.

Small Businesses Mount Assault on Competition from Colleges

WASHINGTON

Delegates to the White House Conference on Small Business, to be held in August, are mounting an assault on colleges and universities that sell computers, do commercial laboratory work, and have their own travel agencies and travel clubs.

Their aim is to persuade Congress to enact legislation that would prevent non-profit organizations from competing with local businesses.

Business owners charge that colleges and universities, because they are tax exempt, receive federal and state funds, use student workers, and often get special deals from manufacturers, can underbid, undersell, and otherwise unfairly compete with taxpaying small businesses.

The issue is high on the list of concerns that will face the 1,823 delegates who will attend the conference here August 17-21, says Joseph F. O'Neil, chairman of the Business Coalition for Fair Competition and executive director of the American Council for Independent Laboratories. The coalition of more than two dozen national associations represents more than 100,000 small businesses, Mr. O'Neil says.

Computer retailers charge that by selling computers and computer software to students, faculty members, and staff members, colleges and universities are cutting into a prime retail market.

Independent laboratories, such as the ones Mr. O'Neil represents, charge that colleges and universities are competing with them for commercial clients, under the guise of research.

Travel agents are concerned about the loss of business to student organizations and on-campus travel agents that arrange individual and group trips.

2,000 Resolutions

Resolutions calling for the elimination of competition from non-profit agencies have been adopted by preliminary small-business conferences in 30 of the 50 states. The resolutions are among some 2,000 that the White House Conference delegates will consider. The top 40 recommendations—in order of importance to the delegates—will be sent to Congress later this year.

The 1980 White House Conference on Small Business came up with 60 resolutions. Two-thirds have since become law.

Although the unfair-competition resolutions go beyond colleges—state and local governments that have their own travel agencies, and charity organizations that undersell hearing-aid retailers are also targets—one of the retailers' major concerns is computer sales in colleges and universities, says Garis F. Distelhorst, executive director of the National Association of College Stores.

"We are talking about high-ticket items," he says. "This is a $3,000 computer, not a $30 textbook."

—JUDITH AXLER TURNER